

PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013

Applicant	Cachuma Resource Conservation District	Amount Requested	\$ 5,956,530
Proposal Title	Santa Barbara County Integrated Regional Water Management (IRWM) Region Proposition 84 Round 2 Grant Proposal	Total Proposal Cost	\$ 12,990,369

PROJECT SUMMARY

The proposal consists of the following five projects: (1) Recycled Water Enhancement Project; (2) Twitchell Reservoir Sediment Management and Groundwater Recharge Project; (3) Recycled Water Expansion and Golf Course Retrofit Project; (4) Secondary Treatment Reliability Project; and (5) Grant Administration. Project 3 is deemed ineligible, as the State cannot fund improvements to private facilities. Therefore, Project 3 will not positively or negatively impact this evaluation. With the exception of project numbering, it is treated as if it were not included in the application.

PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	9/15	Technical Justification	6/10
Budget	3/5		
Schedule	5/5	Benefits and Cost Analysis	24/30
Monitoring, Assessment, and Performance Measures	4/5	Program Preferences	0/10
Total Score (max. possible = 80)			51

EVALUATION SUMMARY

WORK PLAN

The criterion is less than fully addressed and documentation and rationales are incomplete or insufficient. The tasks are not of adequate detail and completeness to show that the project can be implemented. Projects 1 and 2 provide only generic construction task descriptions that do not provide specific construction activities that must occur. These should be available considering preliminary design has been completed for Projects 1 and 2, and final design for Project 4. Similarly the design tasks are also described generically. Project 4 does not list deliverables. In addition, although considerable supporting documentation is included electronically as appendices, this information has not been adequately referenced in the body of the work plan making it difficult to locate.

BUDGET

The budgets for more than half of the projects in the Proposal have detailed cost information, but not all costs appear to be reasonable and supporting documentation is lacking for some of the budget categories. For example, Project 1, Task 10 Construction Administration budget narrative does not provide sufficient rationale to explain how the amount was determined. It appears for Project 1 that Task 3 Reporting repeats costs accounted for under Task 1 Project Administration. Project 4, Task 2 Labor Compliance Program repeats costs accounted for under Task 1 Project Administration. Project 5, which covers the grant administration, is essentially a \$175,000 lump sum and it lacks information that supports the justification of the lump sum.

SCHEDULE

The schedule is consistent with the work plan and budget, reasonable, and demonstrates a readiness to begin construction of at least one project no later than October 2014. Three of the four projects are scheduled to begin construction before October 2014.

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is fully addressed but is not supported by through documentation or sufficient rationale. Project 1 fully met the criterion however Projects 2 and 4 did not identify measurement tools and methods that will effectively monitor project performance and target progress. Instead of measuring infiltration rate, water quality tests are more appropriate to monitor improvement of water quality. For Project 4, an appropriate method to measure performance of reduction in frequency of dredging the Biolac pond would be to track how often the pond is dredged and compare it to before project frequency. Water quality of effluent would be more appropriately measured using water quality testing, MCLs should have been provided as targets.

TECHNICAL JUSTIFICATION

Proposal appears to be technically justified to achieve the claimed benefits but lacks documentation that demonstrates the technical adequacy of the project and physical benefits are not well described. For example, Project 2 claims four types of physical benefits: (1) groundwater recharge, (2) groundwater quality improvement, (3) flood management improvement, and (4) habitat protection. However, the only annual benefit quantified is groundwater recharge, and for this benefit it is unclear how the “with” and “without” estimates are determined. Table 9 for Project 4 is missing values for the without and with project alternatives for reduction in power consumption. Also, while the applicant includes electronic documentation to support claims, it does not appropriately reference the documentation within the context of the application.

BENEFITS AND COST ANALYSIS

Collectively the proposal is likely to provide a high level of benefits in relationship to cost, but the quality of the analysis or clear and complete documentation is lacking.

Benefits of Project 1 are treatment cost savings and the value of avoided water supply costs. The water supply benefits account for the average value of water in normal, dry and critical years starting at \$750 per AF in 2017. This estimates monetized benefits of \$9.4 million in net present value (NPV), compared to project costs of \$8.0 million NPV.

Project 2 estimates benefits based on a Monte Carlo simulation that cannot be replicated. It estimates without the project, total expected damages are \$28.5 million and with the project, total expected damages are \$17.1 million. The difference, \$11.46 million, is the benefit assigned to the project. However, the groundwater recharge benefits of 50,772 AF identified in Table 8.2-4, are inconsistent with the recharge benefits of 16,241 AF claimed in Figure 7.2-3. Neither

figure is well supported; however, if actual benefits are only a small fraction of this estimate, the project is still very economical.

The avoided cost benefit of \$739,507 NPV for Project 4 compared to the project cost of \$0.59 million NPV is not well supported, but believed to be reasonable.

PROGRAM PREFERENCES

The criterion is not addressed properly to meet any of the scoring criteria. Applicant includes a table with a list of the program preferences and check marks noting which project(s) the applicant is claiming to meet the program preference. There is no supporting documentation or rationale for program preference claims with one exception, “Address critical water supply or water quality needs of disadvantaged communities within the region.” However, the rationale provided is insufficient to demonstrate the proposed projects address a critical water supply or water quality need of a DAC.